

Bond Financed Guidance as We near Sunset of the Restructuring Tools

The Section 8 Renewal Guide in Chapter 6 (Option 4 Renewals) requires that an owner submit the bond documents along with the worksheet to the PBCA and HUD office prior to renewal. The bond documents should be forwarded as soon as possible to the OAHP Bond Manager, Claude Dickson.

Some important items to keep in mind:

1. Approximately 84% of the bond-financed transactions, documents for which were received by OAHP, have been determined to be not exempt.
2. Documents for properties financed by bond transactions, which are not eligible for M2M (i.e. 202's, 811's, etc.), do not need to be submitted.
3. Properties which the PBCA and HUD Office determine to be at or below market should not send the bond documents to OAHP as they are ineligible for M2M regardless of whether they are exempt or not.
4. Properties, whose bond financing was previously determined by OAHP to be exempt until their lockouts expire, may be referred to OAHP for restructuring if the lockout expires before 12/31/07.
 - They should do so approximately a year ahead of lockout expiration (but no later than 9/30/06) using the new Contract Renewal Request Form.
 - These properties will thus retain their existing Basic Renewal Contracts rather than signing new Interim Full contracts.
 - Properties with somewhat longer lock out periods could be referred for possible defeasance of the bonds, and be handled on a case-by-case basis.

Please contact Claude Dickson if you have any questions about this process. Claude_C._Dickson@hud.gov or at 202-708-0614, x8372